

FY 2003 EXECUTIVE HIGHLIGHTS May 2003

(\$ in Millions)

	<i>FY 2002 Actuals 1/</i>	FY 2003					
		<i>2002 Final Rate Proposal 1/</i>	<i>Agency Target 1/</i>	<i>Current Forecast</i>			
				<i>without FAS 133 1/</i>		<i>with FAS 133 2/</i>	
1. REVENUES	3,495.3	2,989.2 3/	3,757.7	3,520.3 8/		3,541.3 8/	
2. EXPENSES	3,524.3	2,878.4 3/	3,751.9	3,192.4 8/		3,192.4 8/	
3. NET REVENUES	(29.0)	110.8	5.8	327.9 5/ 6/		348.9 5/	
4. END OF YEAR FINANCIAL RESERVES 4/	187.8	1,228.0	200.0	260.0 8/		260.0 8/	
5. BPA ACCRUED CAPITAL EXPENDITURES	390.5	374.3	495.0 7/	504.0		504.0	

Footnotes

- 1/ Does not include mark-to-market adjustments required by SFAS 133. Actual Net Revenues for FY 2002 with the mark-to-market adjustment were \$9.5 million.
- 2/ Includes an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133 for identified derivative instruments.
- 3/ Includes revenues and expenses from the proposed rate test in May 2000 Power Revenue Requirement Study because the June 2001 Power Supplemental Proposal only showed net revenues in the risk analysis and did not contain explicit revenues and expense forecasts. Revenues and expenses do not include \$19.8 million of reimbursable items.
- 4/ Financial reserves equal total cash plus deferred borrowing.
- 5/ Financial forecasts are highly volatile and will change with market prices and water conditions.
- 6/ Includes \$356 million of expense reductions due to refinancing Energy Northwest debt. Absent these expenses reductions, principally resulting from debt management actions, BPA's net revenues would be (\$28) million. This loss would have been larger if Energy Northwest had not reduced its costs due to the following actions: freeing up reserve funds through the issuance of surety bonds, settling with Bank of America on bearer bonds, issuing more variable rate debt, borrowing for a fuel storage facility, and changing its fuel purchase strategy. Refinancing the Energy Northwest debt was not assumed in the 2002 Final Rate Proposal.
- 7/ Reflects reductions in BPA's capital spending to accommodate the FY 2003 law limiting use of borrowing authority to \$531 million.
- 8/ Does not include the effects of the recent Enron settlement.